



**NAPA COUNTY GRAND JURY
2017-2018**

June 5, 2018

FINAL REPORT

**NAPA COUNTY FARMWORKER
HOUSING**

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SUMMARY

There are 45,000¹ acres of vineyard in Napa County. Planting, maintenance and harvesting of these vineyards is the task of vineyard farmworkers. These farmworkers include permanent residents as well as migratory workers. Because of the current immigration situation and increased demand for year-round farm labor, a rising number of farmworkers desire to reside in Napa County on a permanent or semi-permanent basis. In addition, the farmworker demographics are changing significantly with women now making up greater than 30 percent of the workforce.

Today the County cannot project or provide for farmworker-housing needs because the County lacks current data on present and future farmworker labor patterns. The County last published a farmworker-housing needs assessment in 2013 based on 2012 data. The Napa County Grand Jury recommends that the farmworker housing assessment be brought current and that, based on the updated data, the Board of Supervisors adopt a farmworker-housing plan to meet the needs identified. In addition, the County Code should be modified to allow the Farmworker Centers to remain open year-round.

GLOSSARY

- BAE:** BAE Urban Economics is an urban economics and development advisory consulting practice. It serves clients across the U.S., including public agencies, non-profit organizations, universities, and private developers.
- BOS:** Napa County Board of Supervisors. The Board of Supervisors is the governing body of Napa County, with jurisdiction that varies depending on the services. The Board has jurisdiction over land use, roads and municipal services in the unincorporated areas of the county. For other services, such as Corrections (jail), Health and Human Services, document recording, etc., the Board's jurisdiction is countywide.
- CHDC:** California Human Development Corporation (CHDC) is a state-wide not-for-profit corporation that operates the Napa County Farmworker Housing Centers on behalf of the County Housing and Intergovernmental Affairs (HIA) Division and coordinates County initiatives and activities with the cities and other jurisdictions within the County.
- CSA 4:** County Service Area No. 4 presently has a relatively limited role as a governmental sponsor of a special assessment on vineyards with proceeds supporting farmworker housing services provided by the Napa County Housing Authority.

¹ Napa Valley Vintners, "Napa Valley Fast Facts," https://napavintners.com/press/docs/napa_valley_fast_facts.pdf (accessed February 14, 2018)

EDD: State of California Economic Development Department. The EDD is responsible for the state programs involving unemployment insurance, disability insurance, payroll tax collection, and job training/workforce services. The EDD also has internal programs such as business support, information technology, legal, public relations, internal auditing, and administrative positions.

LAFCO: Local Area Formation Commission of Napa County. LAFCO was created by the California Legislature in 1963 with regulatory and planning responsibilities to coordinate the timely development of local governmental agencies and their services while protecting agricultural and open-space resources. Most notably, this includes managing boundary lines by approving or disapproving proposals involving the formation, expansion, or dissolution of cities and special districts.

NVV: The Napa Valley Vintners is a nonprofit trade association whose mission is to promote, protect, and enhance Napa Valley.

BACKGROUND

Farmworkers and day laborers are an essential component of Napa County's wine industry. The 2013 Needs Assessment noted "It is notoriously difficult to secure accurate data regarding agricultural workers, due to seasonal fluctuations in employment, language barriers, and informal employment arrangements."² Data accumulation is further complicated by the fact that statistics covering farmworker contractors headquartered outside of Napa County do not appear in Napa data. Estimates of farmworker employment fall between 6,000 and 9,000. Without accurate data and an analysis of projected demographic changes, the County cannot adequately address future farmworker housing needs.

A variety of housing options exists for farmworkers in Napa County. These include farmworker centers operated by the California Human Development Corporation on behalf of the County Housing Authority; private on-farm housing accommodations designated for agricultural use employees; private apartments or other housing rented or owned by farmworkers; and affordable housing projects subsidized by the County and by incorporated cities, some of which have units set aside specifically for farmworker households. A need exists for a coordinated, local, affordable housing program that addresses not only farmworkers, but all sectors of the labor market. With all sectors of the Napa County community expressing concern about the lack of affordable housing in general, and farmworker housing in particular, the Grand Jury determined to explore what information existed or did not exist on farmworker-housing needs.

METHODOLOGY

Interviews

- Member, Napa County Board of Supervisors

² Napa County Housing and Intergovernmental Affairs, "Final Report: 2012 Napa County Farmworker Housing Needs Assessment," March 29, 2013, pp 9

- Staff, Napa County Executive Office
- Executive, Napa Valley Vintners
- Owner, large vineyard management company

Tours

- River Ranch Farmworker Center with Staff, CHDC

Documents

- Final Report, 2012 Napa County Farmworker Housing Needs Assessment dated March 29, 2013. http://hcd.ca.gov/community-development/building-blocks/housing-needs/farmworkers/docs/napa_county_farmworker032913.pdf
- County of Napa Farmworker Housing CSA No. 4 Assessment District Engineer's Report Fiscal Year 2015-2016 dated May 4, 2015
- Napa County Housing Element Update, Draft Housing Needs Assessment, dated December 16, 2014. <https://www.countyofnapa.org/DocumentCenter/View/3282>
- State of California, Employee Housing Program 2015 Statistical Summary
- Napa County Farmworker Centers (County of Napa) https://www.cdfa.ca.gov/state_board/pdfs/presentations/turner.pdf
- §1823 Safety and Health of Housing, 29 USCA, Title 29 Labor, Chapter 20 Migrant and Seasonal Agricultural Worker Protection
- Local Agency Formation Commission of Napa, County Service Area No. 4, Municipal Service Review and Sphere of Influence Update, Final Report December 2010. http://www.napa.lafco.ca.gov/uploads/documents/10-4-10_8a_CSA4.pdf
- Local Agency Formation Commission of Napa, Municipal Service Review and Sphere of Influence Update for County Service Area No. 4 and Associated CEQA Exemptions dated December 4, 2017. http://www.napa.lafco.ca.gov/uploads/documents/CSA-4_MSR-SOI_Final_2010.pdf
- Napa County Housing Authority, Professional Services Agreement, California Human Development Corporation, June 12, 2017
- Assembly Bill No. 317, Aguiar-Curry, Napa County: farmworker housing, 2017. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB317
- County of Napa, State of California Adopted Budget Fiscal Year 2017/2018 County Executive Office. <https://www.countyofnapa.org/ArchiveCenter/ViewFile/Item/496>

DISCUSSION

The first step in determining future farmworker housing needs is to understand and quantify the demographics of this labor force. BAE Urban Economics issued its *Final Report: 2012 Napa County Farmworker Housing Needs Assessment* on March 29, 2013. BAE also prepared the *Napa County Housing Element update, Draft Housing Needs Assessment*, and released it on December 16, 2014, but the farmworker portion of this report was essentially a repeat of the *2012 Farmworker Housing Needs Assessment* study.

Napa County Farmworker Demographics

The Grand Jury received anecdotal information that the demographics of farmworkers are rapidly changing. Thus, farmworker housing needs are changing. The young- single- male-migrant worker of yesterday is being replaced by an older workforce with families. Long-term and permanent employees are also more common. Women are now estimated to comprise as much as 30 percent or more of the vineyard workforce.

Changes in immigration policies, increased skill level requirements, and potential competition with other industries are contributing to a general shortage of workers. One reflection of this shortage is rapid increase in Napa farmworker wages. The increase in the number of women in the workforce is probably a combination of the general shortage of workers and the particular skills they bring.

The Impact of Mechanization on Labor Needs

The mechanization of vineyard care introduces another variable in predicting farmworker needs. Mechanization of vineyard care, including mechanical harvesting, may be the result of a tighter labor market, or may contribute to the need for fewer workers. Cause and effect is not clear. Grand Jury interviews revealed that approximately 25 percent of valley floor harvesting is now accomplished with mechanical harvesters.

Mechanization is not new. In 2002, the Wine Business Monthly noted:

With labor and other costs like insurance going through the roof, coupled with more and more short notice delivery demands being placed on growers by the wineries, the option of mechanical harvesting is not only becoming increasingly attractive, but also a necessity in many cases. Where it has been adopted, there is no doubting the impact that mechanical grape harvesting has had. It has led to increased efficiencies through improved vineyard management in harvesting the grapes and delivering them...³

While the cost- and time-saving benefits of mechanized harvesting and vineyard maintenance are widely accepted, there are many reasons why mechanization is not a universal answer to the high cost of vineyard labor. For example, many vintners of high-priced Napa wines prefer hand-harvesting grapes in order to keep the clusters intact all the way to the winery. Many vintners prefer to ferment the grapes with the stems in order to extract tannins, which are a desired characteristic of many Napa Cabernets. In addition, there are practical issues with mechanization

³ <https://www.winebusiness.com/wbm/?go=getArticleSignIn&dataId=20784> accessed 1/13/2018

in hillside vineyard locations where heavy equipment is unsafe or impractical. Numerous other considerations (cost of machinery, effect of machinery on soil and vine health, early onset of fermentation, and quality perception issues) mean it is unlikely that mechanization will ever fully replace the need for skilled farmworker labor.

Existing Farmworker Housing Resources

Public Farmworker Housing Centers

The County currently operates three Farmworker Centers: Calistoga, Mondavi and River Ranch. The centers provide lodging, meals, laundry and recreational amenities, primarily serving unaccompanied males. Each center has 60 beds (30 rooms with 2 beds each), for a total of 180 beds. A single room in a separate building is designated for women at the River Ranch Facility. TV and other recreational opportunities for the residents are limited.

Napa County Code⁴ specifies that none of the public labor centers may remain open year-round. Each is closed for a portion of the period from November through February when the demand for labor decreases. The current closure dates are shown below:

Table 1: County Farmworker Center Closures

Farmworker Center	Close	Open
Calistoga	11/11/2017	12/31/2017
Mondavi	11/04/2017	12/31/2017
River Ranch	12/30/2017	02/04/2018

At least one of the centers is open during each month of the year; however, there is a period during which two of the three are closed. The Grand Jury believes that regulations should be modified to permit year-round operation because a single center alone does not meet demand. The Grand Jury was advised that one of the stated reasons for the closures is to permit needed maintenance. However, the jury was informed that in practice, maintenance issues are handled as they arise. On inspection, the River Ranch Center appears to be well maintained.

LAFCO has stated: “It is important to note the southern and eastern portions of Napa County have few licensed employee-provided housing facilities and do not have a public farmworker housing center.”⁵ The concern for the need of additional farmworker housing in the southern and eastern portions of the County was expressed in multiple Grand Jury interviews.

The Grand Jury toured the River Ranch Farmworker Housing Center. The California Human Development Corporation staff member was very helpful and provided a valuable historical perspective of the Housing Center origin and operation.

⁴ §18.104.305 Farmworker centers—Owned or managed by local government agency.

⁵ Local Agency Formation Commission of Napa County, *County Service Area No 4, Municipal Service Review and Sphere of Influence Update Checklist, December 2017*, pp 6

The River Ranch Farmworker Center



Napa County Farmworker Centers, PowerPoint



Grand Jury Photograph



Grand Jury Photograph



Grand Jury Photograph

Public Farmworker Housing Revenue

The farmworker center revenue⁶ sources are as follows:

Table 2: Fiscal Year 2017-2018 Budgeted Revenue

<u>Item</u>	<u>Budget (\$)</u>
Interest	2,550
Rent – Tenants	728,200
Rent – Staff	25,920
Laundry Services	7,500
Donations and Contributions	50,000
Transfers-In (see below)	546,530
Total	<u>1,360,700</u>

The Farmworker Centers charge residents \$14 per night, which includes lodging and three meals per day. Staff (assistant cooks, cooks, and site managers) pay \$360/month.

Transfers-In Revenue

(1) County Service Area No. 4

Vineyard owners in Napa County (vineyards greater than one acre) have formed a County Service Area (CSA #4) to assist in the funding of Farmworker Centers. The LAFCO CSA 4 Update report of December 2017 states:

CSA 4 is a dependent special district formed in 2002 and is authorized to provide specific range of municipal services relating to the provision of public farmworker housing in Napa County. These authorized municipal services involve (a) acquiring, (b) building, (c) leasing, and (d) operating public farmworker housing. CSA 4 presently helps fund the operation of three farmworker housing enters with a combined capacity of 180 beds through a voter-approved special assessment on vineyards that are one acre or more in size.

Napa is the only county in the U.S. where growers assess themselves for farmworker housing. At \$10/acre, the 2016 CSA 4 aggregate assessment was \$459,970. In 2017 the vineyard owners voted to increase the maximum CSA 4 assessment to \$15/acre.

(2) Assembly Bill 317, Aguiar-Curry, Napa County: farmworker housing

The State of California will provide the Napa County Housing Authority with up to \$250,000 a year in matching funds.

(3) County of Napa Housing Authority

The Housing Authority has traditionally funded the difference between expenses and the major funding sources. The Assembly Bill 317 contribution by the State will reduce the required County Housing Authority contribution.

⁶ County of Napa, State of California Adopted Budget Fiscal Year 2017/2018, California Human Development Corporation, Napa County Farmworker Housing Centers, Budget Narrative

Private Farmworker Housing

A small portion of the growers and vineyard management companies provide housing for some of their farmworkers. Private housing that exceeds five beds is regulated by the State, requiring a permit to operate, and is administered by the County Department of Housing and Community Development, Division of Codes and Standards. Currently there are five such facilities providing a total of 104 beds as shown below:

Table 3: Private Farmworker Housing
(More than five beds)

<u>Permit Name</u>	<u>No. of Beds</u>
Yount Mill Vineyards	32
York Creek Vineyards	13
Caymus Vineyards, Inc.	11
Beringer	24
Napa Valley Farm & Ranch Co.	24

In addition to the regulated private farmworker housing, there are approximately 80 additional private farmworker housing facilities with accommodations for fewer than five farmworkers⁷. These smaller facilities are not regulated by the State. Property owners who provide private farmworker housing may request an exemption from the CSA No. 4 assessment.

Napa County Farmworker Housing Needs

Currently farmworkers living in Napa reside in Farmworker Housing Centers; private sector housing, including private sector rental homes and apartments owned by farmworkers; rooms and garages rented from homeowners; and motels in and around Napa County. Private sector housing in Napa County is expensive, particularly in relation to farmworker income levels. The lack of affordable farmworker housing likely impacts the availability of farm labor. A “significant”⁸ number of farmworkers are “contract” employees living outside the county who commute by private automobile or are bused to Napa by contract agencies and various vineyard management companies.

The December 2017, Napa Local Area Formation Commission (LAFCO) Sphere of Influence Update report, also quoting the 2012 BAE study, noted:

Immigration concerns and increased demand for year-round farm labor has resulted in a high number of farmworkers choosing to reside in Napa County on a permanent or semi-permanent basis. This increases the need for local, affordable farmworker housing and has resulted in a trend of farmworkers seeking family housing and all the services and amenities associated with raising families.

⁷ Final Report: 2012 Napa County Farmworker Housing Needs Assessment, March 29, 2013, page vii

⁸ Napa County Housing Element Update, Draft Housing Needs Assessment, December 16, 2014, page 59

Approximately half of local farmworkers either live in other counties or are migrant workers with no permanent residence.

FINDINGS

The Napa County Grand Jury finds:

- F1. Napa County does not have a current farmworker housing needs assessment.
- F2. There is a lack of affordable farmworker housing in Napa County.
- F3. A shortage of farmworkers can be attributed to changing immigration policies, competition from other agricultural demands, competition from other sectors such as construction and food service, and the lack of affordable housing.
- F4. With an increasing number of long-term farmworkers, the simultaneous closure of two units of Farmworker Housing results in a housing demand which exceeds capacity.
- F5. There is virtually no publicly subsidized housing for female farmworkers in Napa County.
- F6. The River Ranch Farmworker Center appears to be well maintained.

RECOMMENDATIONS

The Napa County Grand Jury recommends:

- R1. The Napa County Board of Supervisors commission an update to the 2012 *Final Report: Napa County Farmworker Housing Needs Assessment* not later than September 30, 2018. An updated assessment of farmworker housing needs should include:
 - An identification of actual and projected farmworker numbers
 - The number of women in the workforce
 - The number of male and female workers accompanied by families
 - The number of farmworkers choosing to reside in Napa County
 - Housing needs for southwest-County workers (e.g., Carneros)
 - Farmworker income
- R2. The Napa County Board of Supervisors, together with the appropriate stakeholders, prepare and publish a detailed action plan to meet County farmworker housing needs not later than June 30, 2019. These recommendations should specifically address south-County housing requirements.
- R3. The Napa County Board of Supervisors amend the farmworker housing regulations to permit year-round operation of the Farmworker Housing Centers not later than June 30, 2019

COMMENDATIONS

The Napa County Grand Jury commends:

- C1. The California Human Development Corporation and housing center staff for the operations of the Farmworker Housing Centers.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the Grand Jury requests responses as follows:

From the following governing bodies:

Napa County Board of Supervisors: **R1, R2, and R3**

The Napa County Grand Jury invites responses as follows:

California Human Development Corporation: **R3**

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the jury.
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